



Services Committee Report Summary of February 20, 2007 Meeting

Information Item

The Services Committee of the Technology Services Board (TSB) met in open session on February 20, 2007. The following items were discussed:

- 1. Status of Issues Related to Network Rate Increase.** The Chair began the discussion on this item by relaying information from the Department of Finance (DOF) designee on the Committee, who was unable to attend the meeting, regarding DOF's decision to submit a Finance Letter in the Spring process to augment the budgets of departments that will experience a net increase in their costs as a result of the network rate increase adopted by the Board at its January meeting. In accordance with Board direction, the Department of Technology Services (DTS) then presented the committee with a summary of the policy issues underlying the network rate increase. The three policy issues related to: (1) general cost recovery, (2) ownership/refresh of edge equipment, and (3) recovery of network backbone costs (see Appendix A – Policies Underlying Network Rate Changes). Only the third issue remains subject to some controversy. Because recovery of backbone costs encompasses statewide IT policy and architectural issues, the Committee strongly encouraged the State CIO's Office to review and address this issue. If the CIO's determination results in the need for changes to the recently approved network rates, the DTS will bring a new rate proposal back to the Services Committee and the Board for consideration.
- 2. Status of Efforts to Benchmark DTS Rates.** The DTS reported that the Request for Offer for a vendor to benchmark DTS rates will be released in mid-April with an expectation that benchmarking of the network rates will be completed in time for a report to be made to the Board at its September meeting. The vendor will then move on to benchmarking other DTS rates. (See Appendix B – Overview of Rates Benchmarking Study).
- 3. State Telecommunications/Network Planning Framework.** The DTS presented a high-level framework for the development of a State Telecommunications/Network Plan (see Appendix C – Building a 21st Century Network for California). The planning effort would be conducted under the auspices of the Services Committee with final review and approval of the plan by



the TSB. In accordance with the framework, the effort would be business-driven, highly collaborative, and facilitated by an expert in the field of networking/telecommunications. The Services Committee directed the DTS to move forward with this effort.

4. **Status of Shared Services Strategic Planning.** The DTS reported to the Committee that the development of a State Strategic Plan for Shared Services will be delayed by one to two quarters due to the DTS' involvement in two other statewide planning efforts: telecommunications/network and server consolidation.